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SOCIAL INCLUSION EMPLOYMENT AND HUMAN DEVELOPMENT

Social Media Influence on Gen Z Consumer Decisions: Evidence from Chennai City

N.Kalpana*
S.Aiswarya**

Abstract

The rapid expansion of social media has significantly transformed the landscape of consumer behavior, especially among Generation Z, who rely heavily on digital platforms for product information, peer reviews, influencer recommendations, and purchase decisions. This study examines the influence of social media on Gen Z consumer decisions in Chennai City, considering key determinants such as influencer credibility, content engagement, peer influence, brand interactions, and platform trust.

A structured questionnaire was administered to 200 Gen Z respondents aged 18–27 residing in Chennai. Statistical analyses including descriptive statistics, reliability analysis, correlation, and multiple regression were conducted using SPSS. Results indicate that influencer marketing, peer interactions, and informative brand content significantly influence the purchasing decisions of Gen Z. Influencer credibility emerged as the strongest predictor. The study suggests that marketers should focus on authenticity, engagement-driven content, and relatable digital communication to effectively attract and convert Gen Z consumers.

Keywords: *Social Media, Generation Z, Influencer Marketing, Consumer Decisions, Digital Engagement, Chennai City*

Introduction

People who were born between 1997 and 2012 are considered to be members of Generation Z (Gen Z), which is considered to be one of the most socially connected and technologically enabled populations of consumers. Given the increasing availability of smartphones and social media platforms like Instagram, YouTube, TikTok, Facebook, and Snapchat, Generation Z places a significant amount of importance on the content that is shared on these platforms in order to create preferences, evaluate brands, and make decisions regarding purchases. Consumers of the Gen Z generation actively engage online, follow influencers, join in brand communities, and rely on opinion leaders for product insights in Chennai, a metropolitan city that is fast growing and has a high digital penetration rate. Consequently, social media has evolved into an indispensable medium that has a significant impact on their purchasing habits, ranging from fashion and beauty products to electronic devices, food, and lifestyle services.

The purpose of this study is to investigate the extent to which social media influences the purchasing decisions of Generation Z consumers and to identify the factors that influence their intents to make purchases in the complex digital ecosystem that exists in Chennai.

Statement of the Problem

The digital marketplace has experienced significant transformations, transitioning from conventional marketing to consumer-centric online interaction. Generation Z exhibits a strong responsiveness to influencer material, peer evaluations, digital marketing, and brand communications on social media, rendering them a vital demographic for marketers.

*Research Scholar, Department of Commerce, Vels Institute of Science, Technology, and Advanced Studies, Chennai, Tamil Nadu

**Assistant Professor, Department of Commerce (Corporate Secretaryship), Vels Institute of Science, Technology, and Advanced Studies, Chennai, Tamil Nadu

Nonetheless, despite their extensive engagement with social media, Generation Z frequently encounters difficulties such as information saturation, deceptive material, sponsored advertisements masquerading as authentic reviews, and fraudulent influencers. The veracity and dependability of social media content have emerged as significant factors affecting buying decisions.

In Chennai, despite Gen Z's significant online engagement, there is a paucity of study examining the precise social media elements that impact their purchase choices. This study seeks to address that gap by analyzing the primary factors influencing Gen Z's digital purchase behavior.

Review of Literature

Mangold and Faulds (2009) recognized social media as a hybrid communication channel that influences customer decisions through user-generated content. This was found to be the case using social media.

Additionally, Jin and Phua (2014) underlined the fact that the credibility of influencers has a favorable influence on trust and buy intention among young people who utilize social media. It was claimed by Ki, Cuevas, and Lim (2017) that Generation Z places a higher value on authenticity and relatability in the material produced by influencers than they do on traditional celebrity endorsements.

• Lou and Yuan (2019) discovered that the quality of the content and the relevance of the message have a substantial impact on the level of interaction that consumers have on social media. It was established by Sokolova and Kefi (2020) that the beauty, knowledge, and trustworthiness of influencers are the primary factors that drive purchasing decisions among Generation Z.

Thomas and Nirmala (2021) found that the influence of peers and participation in online communities play a significant part in the formation of product ratings among members of Generation Z.

Kumar and Menon (2022) found that Indian Gen Z customers place a significant amount of trust in social media for the purpose of receiving recommendations regarding fashion and lifestyle products.

Based on their findings, Verma and Sahu (2023) came to the conclusion that content engagement, brand authenticity, and platform credibility have a major impact on the behavior of online consumers.

It was discovered by Rao and Abraham (2024) that micro-influencers have a greater impact on the purchasing decisions of young people because of the perceived honesty and personal connection they have with them.

The literature indicates that **influencer credibility**, **authentic content**, and **peer engagement** are major drivers of Gen Z consumer decisions.

Objectives of the Study

1. To examine the impact of social media on Gen Z consumer decisions in Chennai City.
2. To identify the role of influencer credibility, peer influence, and brand content engagement on purchase intentions.
3. To analyze the strength of social media determinants in shaping consumer preferences.

Hypotheses

- **H01:** Influencer credibility has no significant impact on Gen Z purchase decisions.
- **H02:** Peer influence does not significantly affect Gen Z consumer behavior.
- **H03:** Social media content engagement has no significant relationship with purchase decisions.
- **H04:** Platform trust does not significantly influence Gen Z purchase intentions.

Research Methodology

The research used a descriptive and analytical design to examine the impact of social media on Generation Z consumer choices. The target demographic comprises Gen Z individuals aged 18 to 27 living in Chennai City.

A cohort of 200 respondents was chosen by convenience and purposeful selection, guaranteeing that all participants were active users of social media and online buyers. Primary data were obtained via a structured questionnaire employing a five-point Likert scale.

The measured constructs were: • Influencer Credibility • Peer Influence • Content Engagement • Platform Trust • Purchase Decision (Dependent Variable)

Data were examined utilizing SPSS, employing descriptive statistics, reliability analysis (Cronbach's Alpha), correlation, and regression to evaluate hypotheses and ascertain principal affecting elements.

Analysis and Results

1. Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	98	49.0
	Female	102	51.0
Age (Years)	18–21	74	37.0
	22–24	82	41.0
	25–27	44	22.0
Social Media Platforms Used	Instagram	148	74.0
	YouTube	126	63.0
	Facebook	94	47.0
	Snapchat	58	29.0

Instagram and YouTube are the platforms that Gen Z customers in Chennai favor the most, which indicates that they consume a lot of visual content.

2. Reliability Analysis

Construct	No. of Items	Cronbach's Alpha
Influencer Credibility	4	0.84
Peer Influence	4	0.81
Content Engagement	4	0.83
Platform Trust	4	0.85
Purchase Decision	4	0.88

There is a high level of dependability ($\alpha > 0.80$) among all the constructions.

3. Correlation Analysis

Variables	Influencer Credibility	Peer Influence	Content Engagement	Platform Trust	Purchase Decision
Influencer Credibility	1	0.62**	0.64**	0.66**	0.75**
Peer Influence	0.62**	1	0.60**	0.63**	0.70**
Content Engagement	0.64**	0.60**	1	0.68**	0.73**
Platform Trust	0.66**	0.63**	0.68**	1	0.78**
Purchase Decision	0.75**	0.70**	0.73**	0.78**	1

There is a substantial and positive association between all of the social media factors and the purchasing decisions of Generation Z.

4. Regression Analysis

Predictor Variable	Beta (β)	t-value	Sig. (p)
Influencer Credibility	0.29	4.62	0.000
Peer Influence	0.21	3.58	0.001
Content Engagement	0.27	4.40	0.000
Platform Trust	0.31	5.16	0.000
$R^2 = 0.72$, $F = 94.20$, $p < 0.001$			

Seventy-two percent of the variance in purchasing decisions may be explained by the model. When it comes to predicting, the most powerful predictors are platform trust ($\beta = 0.31$) and influencer credibility ($\beta = 0.29$).

Conclusion

The research indicates that social media significantly influences the consumer choices of Generation Z in Chennai City. The authenticity of influencers, the quality of material, peer relationships, and trust in the platform substantially affect purchase intentions. Among all factors, platform trust and influencer credibility exert the most significant influence.

Generation Z consumers like material that is authentic, relatable, and visually engaging. Brands seeking to attract this group should emphasize: • Authentic influencer collaborations • Transparent communication • Interactive and captivating content • Robust community involvement • Trust-enhancing techniques, including candid evaluations, prompt responses, and secure transactions By synchronizing digital marketing strategies with Gen Z expectations, organizations may augment online visibility, elevate conversions, and cultivate enduring relationships with youthful consumers.

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